

**Owatonna Economic Development Authority**  
**Economic Development Incentives Policy**  
July 20th, 2005

This policy is adopted for purposes of the business subsidies act (the "Act"), which is Minnesota Statutes, Sections 116J.993 through 116J.995. Terms used in this Policy are intended to have the same meanings as used in the Act. A business subsidy, as defined in Minnesota Statute 116J.993(3), is herein referred to as an economic development incentive. This Policy shall apply only with respect to incentives granted under the Act if and to the extent required thereby.

This policy shall provide the legal and statutory framework to utilize economic development incentives pursuant to requirements in law. The adoption of this policy is a prerequisite to determining the level of and extent of participation in economic development incentives programs.

Economic development incentives seek to realize goals that benefit the community and meet a public purpose, including the creation or retention of jobs; the provision and upgrade of public infrastructure; the stabilization of commercial and industrial districts or neighborhoods; and the support of industry and employment through job advancement and training opportunities.

**Criteria for Economic Development Incentive.**

- 1) The economic development incentive shall be tied to the creation of at least 10 full time new jobs at or above 75% of the Steele County average weekly wage for the total of all industries and ownerships as identified in the most recent Quarterly Census of Employment and Wages (QCEW), and at least 75% of all new jobs created shall meet the above referenced average weekly wage; or to job retention only when job loss is specific and demonstrable. For the purposes of this provision employer paid health benefits may be included as part of the average weekly wage.
- 2) Proposals for economic development incentives must also meet at least one of the following criteria.
  - The incentive will be used for a business expansion, relocation, start-up, or retention when the loss of jobs is specific and demonstrable.
  - The incentive is used for the construction, extension, or upgrade of public infrastructure.
  - The incentive will be used for projects that will provide for employee training or that offer job advancement opportunities through skills learned in the workplace.
  - The incentive will be used for projects that address and promote the stabilization of commercial, industrial, and residential areas including the elimination of blight, and redevelopment activities.
  - The incentive will result in a significant increase in city's taxable base relative to the size of the incentive.
- 3) Because it is not possible to anticipate every type of project which may in its context and time present opportunities for community development, deviation from the above criteria is permitted upon adoption of resolution by the granting authority documenting the reason for the deviation.



**ECONOMIC DEVELOPMENT AUTHORITY OF THE  
CITY OF OWATONNA, MINNESOTA**

**RESOLUTION NO. 1-05**

**A RESOLUTION ADOPTING A BUSINESS SUBSIDY POLICY**

**WHEREAS**, Minnesota Statutes, Section 116J.993 through 116J.995, "Business Subsidies Act", requires that before a business subsidy, as defined in the Act, can be granted by a local unit of government or local agency, the grantor must adopt business subsidy criteria after public hearing. Such criteria must include a policy establishing a specific base wage for jobs created; and

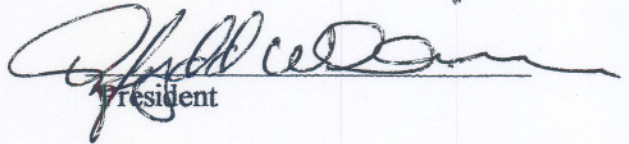
**WHEREAS**, the Economic Development Authority of Owatonna encourages and assists economic development projects that benefit the community and such assistance may involve the use of business subsidies as defined in the "Business Subsidies Act"; and

**WHEREAS**, the Economic Development Authority of Owatonna had previously adopted a business subsidy policy but must now consider revisions to bring said policy into compliance with Minnesota State Statutes; and

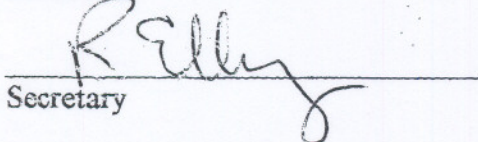
**WHEREAS**, a public hearing was held on July 20th, 2005 on adoption of a revised business subsidy policy.

**NOW THEREFORE, BE IT RESOLVED** that the Economic Development Authority of the City of Owatonna, Minnesota, hereby revokes the "Business Subsidy Policy" dated March 19<sup>th</sup>, 2003 and adopts the attached "Economic Development Incentives Policy" dated July 20th, 2005.

Approved by the Economic Development Authority of Owatonna, Minnesota this 20<sup>th</sup> day of July, 2005.

  
President

ATTEST:

  
Secretary

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